

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et  
al.*,

Debtors.<sup>1</sup>

PROMESA Title III

Case No. 17-BK-3283-LTS

(Jointly Administered)

**Re: ECF No. 24909**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-BK-4780-LTS

**Re: ECF No. 3887**

**OBJECTION OF GOLDENTREE ASSET MANAGEMENT, LP TO URGENT MOTION  
OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO  
RICO, AS DEBTOR'S TITLE III REPRESENTATIVE, REQUESTING FURTHER  
EXTENSION OF FILING DEADLINES (A) TO AUGUST 25, 2023 FOR SUBMISSION  
OF PREPA'S PROPOSED AMENDED PLAN OF ADJUSTMENT AND RELATED  
DOCUMENTS AND (B) TO AUGUST 30, 2023 FOR SUBMISSION OF JOINT STATUS  
REPORT AND PROPOSED CONFIRMATION SCHEDULE(S)**

<sup>1</sup> The Debtors in these Title III Cases along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the following: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

GoldenTree Asset Management, LP (“**GoldenTree**”) submits this objection (the “**Objection**”) to the *Urgent Motion of the Financial Oversight and Management Board for Puerto Rico, as Debtor’s Title III Representative, Requesting Extension of Filing Deadlines (A) to August 25, 2023 for Submission of PREPA’s Proposed Amended Plan of Adjustment and Related Documents and (B) to August 30, 2023 for Submission of Joint Status Report and Proposed Confirmation Schedule(s)* [Case No. 17-4780, ECF No. [3887] (the “**Urgent Motion**”). In support of the Objection, GoldenTree respectfully states as follows:

**OBJECTION**

1. At 9:26 p.m. Eastern Time on Wednesday, August 16, 2023, counsel to the Financial Oversight and Management Board for Puerto Rico (the “**Oversight Board**”) sent an email to representatives of a number of parties, including GoldenTree, indicating that the Oversight Board, acting on behalf of the Puerto Rico Electric Power Authority (“**PREPA**” or the “**Debtor**”), intended to file yet another urgent motion to extend by an additional five days the dates by which the Debtor must file its proposed third amended plan of adjustment and the parties must file their joint status report with proposed litigation schedule(s) for confirmation proceedings (together, the “**Plan Deadlines**”), and asking whether the parties to whose representatives the email was sent objected to the relief to be sought by such urgent motion. By the email, the Oversight Board requested responses by 3:00 p.m. Eastern Time on Thursday, August 16, 2023. At 10:20 a.m. Eastern Time on Thursday, August 17, 2023, counsel to the Oversight Board sent a follow-up email noting the Oversight Board’s decision to increase the requested extension of the Plan Deadlines by an additional two days, for a total of one week.

2. At approximately 12:47 p.m. Eastern Time today, undersigned counsel for GoldenTree replied to the Oversight Board by email indicating that GoldenTree objects to the relief and would request a status conference (the “**Status Conference**”) regarding the path forward in this Title III case. In last week’s *Statement of GoldenTree Asset Management LP Regarding Urgent Motion of the Financial Oversight and Management Board for Puerto Rico, as Debtor’s Title III Representative, Requesting Extension of Filing Deadlines (A) to August 25, 2023 for Submission of PREPA’s Proposed Amended Plan of Adjustment and Related Documents and (B) to August 30, 2023 for Submission of Joint Status Report and Proposed Confirmation Schedule(s)* [Case No. 17-4780, ECF No. 3882] (the “**Statement**”), filed on August 10, 2023, GoldenTree did not object to the Oversight Board’s prior request to extend the Plan Deadlines, however, in refraining from objecting, GoldenTree reiterated to the Oversight Board (and disclosed to the Court in its filed Statement) its growing concerns regarding (i) GoldenTree’s exclusion from settlement discussions the Oversight Board was engaging in with certain other holders of the approximately \$8.4 billion in outstanding revenue bonds (collectively, the “**Bonds**”) issued by the Debtor pursuant to that certain Trust Agreement, dated as of January 1, 1974 (the “**Trust Agreement**”), by and between PREPA and a predecessor of U.S. Bank National Association, and (ii) the significant prejudice the continuous delays have caused the holders of such Bonds (collectively, the “**Bondholders**”).

3. The Oversight Board simply ignored these concerns, which have been further augmented by yet another delay sought by the Oversight Board. Last year, on September 29, 2022, this Court entered an order (the “**Stay Order**”)<sup>2</sup> staying litigation with respect to a motion (the

---

<sup>2</sup> ECF No. 3013.

“**Motion to Dismiss**”)<sup>3</sup> filed by the Ad Hoc Group of PREPA Bondholders and certain monoline insurers seeking to dismiss PREPA’s Title III case or, in the alternative, for relief from the automatic stay to obtain appointment of a receiver based upon the lack of progress made in PREPA’s Title III case and the resulting unreasonable delay and prejudice to Bondholders. Rather than allowing prosecution of the Motion to Dismiss, the Court opted to “establish meaningful deadlines and require a plan proposal,”<sup>4</sup> and, accordingly, entered the Stay Order directing the Oversight Board to file “a proposed plan of adjustment that it believes could be confirmable” by December 1, 2022, accompanied by a “proposed confirmation schedule contemplating a June 2023 confirmation hearing.”<sup>5</sup> We are now rapidly approaching the end of August – nearing the one-year anniversary of the Stay Order – and this original timeline has been wholly disregarded.

4. The Debtor and the Oversight Board have kept themselves busy through the months of endless delay – engaging in secret negotiations with some, but not all, of the Bondholders. GoldenTree, despite holding approximately \$1 billion of the Bonds, has received no engagement whatsoever from the Debtor or the Oversight Board, nor any transparency regarding the content of such negotiations or the resulting deal. In light of this obstructive behavior, GoldenTree can only expect that the proposed plan will (i) provide for disparate treatment favoring the Oversight Board’s chosen few Bondholders, and (ii) gerrymander classification accordingly. GoldenTree has the exact same rights under the Trust Agreement as those Bondholders that the Oversight Board has inexplicably chosen to elevate to a higher status, therefore the separate classification of such Bondholders in an attempt to justify their disparate treatment necessarily renders such plan

---

<sup>3</sup> ECF No. 2973.

<sup>4</sup> See Sept. 30, 2022, Hr’g Tr. at 21:17-23.

<sup>5</sup> See ECF No. 3013.

unconfirmable under sections 1122, 1123(a)(4), and 1129(b)(1) of title 11 of the United States Code (the “**Bankruptcy Code**”), made applicable to this proceeding pursuant to section 2161 of title 48 of the United States Code. Indeed, this unfair and unequal treatment of similarly situated creditors is exactly what Congress sought to prevent when enacting the Bankruptcy Code. *See Liona Corp. v. PCH Assocs. (In re PCH Assocs.)*, 949 F.2d 585, 598 (2d Cir. 1991) (describing “equal treatment of similarly situated creditors” as “perhaps the predominant policy objective of a bankruptcy proceeding”). Accordingly, GoldenTree submits that the Court should hold the Status Conference to ensure transparency and discuss with the parties the path forward.

5. Moreover, the endless delays and now weekly “Urgent Motions” for more delay further underscore the massive prejudice and injury to Bondholders from the passage of time while PREPA’s multitude of breaches under the Trust Agreement continue unabated and unremedied. PREPA has collected and misappropriated, is collecting and misappropriating, and will continue to collect and misappropriate, billions of its revenues that constitute Net Revenues (as defined in the Trust Agreement) that should be deposited by PREPA into the Sinking Fund (as defined in the Trust Agreement) pursuant to the Trust Agreement and become collateral of the Bondholders under this Court’s *Opinion and Order Granting in Part and Denying in Part the Financial Oversight and Management Board for Puerto Rico’s Motion for Summary Judgment and the Defendant’s and Intervenor- Defendants’ Cross-Motion for Summary Judgment* (the “**Summary Judgment Order**”)<sup>6</sup> The continuing delays are only increasing the ongoing prejudice to the approximately \$8.4 billion of outstanding Bonds, which have been in a continuous state of default

---

<sup>6</sup> See Adv. Pro. 19-00391 (LTS), ECF No. 147 ((hereinafter cited as “**Adv. Pro. ECF No.**”). Although GoldenTree believes that certain of the rulings set forth in the Summary Judgment Order and the *Order Concerning Bondholders’ Unsecured Net Revenue Claim Estimation* [Adv. Pro. ECF No. 315] are incorrect, it cannot currently seek review. GoldenTree intends to appeal such rulings and reserves all rights in connection therewith.

since 2009, and which have not received any payment whatsoever since 2014. With further delays seemingly inevitable, the Bondholders need to be able to protect their property rights with respect to the Bonds to avoid the irreparable injury that will otherwise result.

WHEREFORE, GoldenTree respectfully requests that the Court deny the Urgent Motion and schedule a Status Conference in this Title III case to provide some measure of transparency regarding the Oversight Board's actions and plans and to discuss the path forward in this Title III case.

Dated: August 17, 2023  
Miami, Florida

Respectfully submitted,

/s/ Lydia M. Ramos Cruz

Lydia M. Ramos Cruz  
USDC-PR 214104  
1509 López Landrón Street  
American Airlines Building, PH  
San Juan, Puerto Rico 00911  
Tel.: (787) 508-2525  
lramos@ramoscruzlegal.com

/s/ John K. Cunningham

Thomas E Lauria (admitted *pro hac vice*)  
Glenn M. Kurtz (admitted *pro hac vice*)  
Thomas E. MacWright  
WHITE & CASE LLP  
1221 Avenue of the Americas  
New York, NY 10036  
Tel.: (212) 819-8200  
Fax: (212) 354-8113  
tlauria@whitecase.com  
gkurtz@whitecase.com  
tmacwright@whitecase.com

John K. Cunningham (admitted *pro hac vice*)  
Keith Wofford (admitted *pro hac vice*)  
Michael C. Shepherd  
WHITE & CASE LLP  
200 S. Biscayne Blvd., Suite 4900  
Miami, FL 33131  
Tel.: (305) 371-2700  
Fax: (305) 358-5744  
jcunningham@whitecase.com  
kwofford@whitecase.com  
mshepherd@whitecase.com

*Co-Counsel for GoldenTree Asset Management LP*